



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Scott Hirschi
Division Director

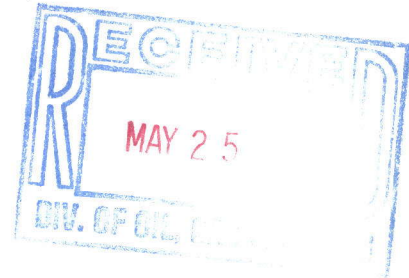
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355 West North Temple
Salt Lake City, Utah 84180-1204
801-538-5508
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May 24, 1994

CERTIFIED MAIL NO. P 051 448 248

Lopez Investment Inc.
1772-22nd Street
Ogden, UT 84401

RE: ML 35683 Volcanic Material
S/001/007 Beaver County



Gentlemen:

Rules of the division require a reclamation bond of \$5,000 per acre of land approved for surface disturbance. Bonds are primarily held for reclamation but are also conditioned upon payment of royalties which may become due the state.

Division records indicate that your approved mining and reclamation plan is for a surface disturbance of three acres, but that you presently have a bond of only \$2,500 on file with the division.

Please immediately submit an additional bond in the amount of \$12,500, or \$5,000 per acre, to cover your operation. You may submit a surety bond with a Utah licensed surety, using the enclosed bond of lessee form. Alternatively, you may submit a short term renewable time CD with a Utah banking institution, with the state listed as a joint owner of the CD.

If you intend on disturbing less than three acres of land then please submit an amendment to your approved mining and reclamation plan, detailing actual existing and proposed surface disturbances. Your required bond amount may then be adjusted accordingly.

Failure to comply with this request within the next 30 days may subject this lease to cancellation.

Thank you for your cooperation. Please contact me if you have any questions in this matter.

Sincerely,

JOHN T. BAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Wayne Hedberg